

From the Program Director

Debbie Redfearn
Single Family Housing Program Director

Happy New Year everyone! The Guaranteed Rural Housing (GRH) program in Louisiana is off to another strong start in Fiscal Year 2005. As of December 31, 2004, Louisiana obligated 266 loans for \$25,529,758.

Funding is readily available, so keep those loans coming!

PLEASE NOTE NEW INCOME LIMITS (BELOW) EFFECTIVE MARCH 3, 2005.

Income Limits in Louisiana

**Guaranteed Rural Housing
Moderate Income Limits
Adjusted Income Limits**
(Orleans Parish is Ineligible for Lending)

Number in Household	Income Amount*	West Feliciana Parish Income Amount*
1 Person	\$46,700	\$47,600
2 Persons	\$53,350	\$54,400
3 Persons	\$60,050	\$61,200
4 Persons	\$66,700	\$68,000
5 Persons	\$72,050	\$73,450
6 Persons	\$77,350	\$78,850
7 Persons	\$82,700	\$84,300
8 Persons	\$88,050	\$89,750

Effective March 3, 2005

*Add 8 percent of 4-person income limit for each person in

"Moderate Income" is defined as 115 percent of the U.S. Median Family Income.



2005 Changes in Guaranteed Rural Housing Program

Two of the major changes for 2005 are the **guarantee fee increase** and the **change in maximum Loan to Value Ratio (LTVR)**.

Guarantee Fee Increase

On December 11, 2004, the guarantee fee for Section 502 Guaranteed purchase loans increased from 1.75 percent to 2.00 percent of the loan amount. To calculate the 2.00 percent guarantee fee, multiply the principal loan amount by 0.02 and round to the nearest cent.

Example: Loan Amount \$91,500 x Fee 0.02 = \$1,830

To calculate a purchase loan amount that includes the entire guarantee fee in the loan, simply divide the original principal loan amount by 0.98 (1.00 less the .02 fee), and round to the nearest cent.

**Example: Original Loan Amount \$91,500 / 0.98 = Loan with fee \$93,367.34694, rounded to \$93,367.35
Loan with fee \$93,367.35 = Fee \$1,867.35**

The guarantee fee for refinance loans will remain at 0.50 percent of the loan amount.

Loan to Value Ratio Change

The maximum LTVR for Section 502 Guaranteed purchase loans also changed on December 11, 2004. Similar to the

maximum LTVR for refinance loans, the maximum LTVR for purchase loans can now exceed the appraised value (AV) of the property to include the amount of the guarantee fee. The change in the maximum LTVR applies only to loans for which the guarantee fee is being financed. In these cases, the loan amount can exceed the appraised value of the property only by the portion of the guarantee fee being financed in the loan.

**Example: $AV = \$100,000 / 0.98 =$
Maximum Loan Amount of
\$102,040.82**

If only a portion of the fee will be included in the loan, then the maximum loan can only exceed the appraised value of the property by the amount of the guarantee fee being financed.

**Example: $AV = \$100,000 / 0.98 =$
Maximum Loan Amount of
\$102,040.82, but only \$1,500 of the
guarantee fee is being financed; the
maximum loan amount would be
\$101,500.00.**

You are requested to indicate the amount of the fee to be financed on Form RD 1980-21, "Request for Single Family Housing Loan Guarantee."

Should you have any questions about any of these changes, please contact the Guaranteed Housing Specialist in your area.

Things to Know

Administrative Notices

The following Administrative Notices have been issued addressing Guaranteed Rural Housing (GRH) loan-making and servicing issues:

RD AN No. 4019 (1980-D) dated November 18, 2004, revises the loss claim and future recovery remittance procedures due to enhanced automation capabilities, which assist in the preparation and calculation of GRH loss claims and future recoveries.

RD AN No. 4025 (1980-D) dated November 30, 2004, reiterates the policies concerning loss mitigation actions in the GRH program.

RD AN No. 4026 (1980-D) dated December 2, 2004, renews instruction to GRH field staff of the process to refinance existing GRH loans.

RD AN No. 4027 (1980-D) dated December 2, 2004, renews instruction to GRH field staff of the process to refinance Direct loans to GRH loans.

The refinance fee remains at 0.5 percent.

Not sure if a property is in an eligible area?

Try out the Income and Property Eligibility website: <http://eligibility.sc.egov.usda.gov>
It can also be used to calculate adjusted household income and compare it to current income limits.

Please visit Louisiana's USDA Rural Development website:

<http://rurdev.usda.gov/la>.
Check here for general program information,

contacts, updates, and other valuable information on all USDA Rural Development programs in Louisiana.

Instructions, Forms, Procedure Notices

Rural Development (RD) Instructions, Forms, Procedure Notices (PNs), and Administrative Notices (ANs) can be viewed on the Internet. The URL link is: <http://rdinit.usda.gov/regs/> or <http://www.rurdev.usda.gov/regs/>.

To obtain Rural Development forms, visit the eGov website: <http://www.sc.egov.usda.gov/>.

To obtain a copy of Louisiana Administrative Notices, contact the Guaranteed Housing Specialist in your area.

Contact Us

USDA Rural Development provides a full range of rural development credit services in rural Louisiana. Louisiana's USDA Rural Development State Office is located at 3727 Government Street, Alexandria, Louisiana 71302, and the telephone number is (318) 473-7630. There are four area offices located throughout the state to serve Louisiana residents. If you have any questions about the Guaranteed Rural Housing Program, please contact one of the representatives listed below. We look forward to hearing from you!

State Office

3727 Government Street
Alexandria, Louisiana 71302
Telephone: (318) 473-7630
TDD/TTY: (318) 473-7655
Fax: (318) 473-7829

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Scott Pousson

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Area I

Pat Guillory

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USDA Service Center
2410 Old Sterlington Road, Suite C
Monroe, Louisiana 71203
Telephone: (318) 343-4467, ext. 109
Fax: (318) 343-5776
pat.guillory@la.usda.gov

Parishes served:

Caldwell, Catahoula, Claiborne, Concordia, East Carroll, Franklin, Jackson, LaSalle, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll

Area II

Mary Lu Wilkerson

Single Family Housing Guaranteed Housing Specialist
USDA Service Center
6949 Highway 1 Bypass, Suite 103
Natchitoches, Louisiana 71457
Telephone: (318) 352-7100, ext. 128
Fax: (318) 354-1682
mary.wilkerson@la.usda.gov

Parishes served:

Avoyelles, Bienville, Bossier, Caddo, DeSoto, Grant, Natchitoches, Rapides, Red River, Sabine, Vernon, Webster, and Winn

Area III

Charles Miniex

Single Family Housing Guaranteed Housing Specialist
USDA Service Center
Whitney National Bank
905 Jefferson Street, Suite 320
Lafayette, Louisiana 70501-7913
Telephone: (337) 262-6601, ext. 119
Fax: (337) 262-6823
charles.miniex@la.usda.gov

Parishes served:

Acadia, Allen, Beauregard, Calcasieu, Cameron, Evangeline, Iberia, Jefferson Davis, Lafayette, St. Landry, St. Martin, St. Mary, and Vermilion

Area IV

John Friedman or Doug Lawrence

Single Family Housing Guaranteed Housing Specialists
USDA Service Center
805 West Oak Street, Room 3
Amite, Louisiana 70422
Telephone: (985) 748-8751, ext. 127 or 136
Fax: (985) 748-4940
john.friedman@la.usda.gov
doug.lawrence@la.usda.gov

Parishes served:

Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Jefferson, Lafourche, Livingston, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Tammany, Tangipahoa, Terrebonne, Washington, West Baton Rouge, and West Feliciana

Address Updates, Questions, and Comments

In an effort to save paper and postage, we are distributing this and future newsletters by e-mail. Thanks go to those of you who have responded to our request and provided us your e-mail address—our e-mail address list is growing longer each day. If you would like to add your name to our e-mail distribution list for newsletters and program announcements, please provide your e-mail address to debbie.redfearn@la.usda.gov.